

The complaint

Miss H complains about the quality of a car that was supplied through a conditional sale agreement with Moneybarn No. 1 Limited (Moneybarn).

What happened

In June 2024, Miss H acquired a used car through a conditional sale agreement with Moneybarn. The car was around nine years and seven months old and had travelled 98,850 miles when it was supplied. The cash price of the car was £8,195. A deposit of £1,000 is listed, so the total amount financed on the agreement was £7,195 payable over 43 monthly repayments of £309.

In October 2024, Miss H complained to Moneybarn that a month after she was supplied the car, she started experiencing issues with it. Miss H provided a list of issues to Moneybarn and requested that she be able to reject the car.

In December 2024 Miss H brought her complaint to our service where it was passed to one of our Investigators to look into.

In January 2025, Moneybarn issued their final response which they didn't uphold. In summary, it confirmed an independent inspection of the car was arranged by the dealership in September 2024, and the report (which I'll refer to as report A) concluded the issues were not present or developing at the point of supply. However, as Miss H didn't think the inspection addressed all of the issues raised, a second independent inspection was arranged, which took place in November 2024. The second inspection report (which I'll refer to as report B), acknowledged some issues with the car, but concluded that they were wear and tear related and wouldn't have been present or developing at the point of supply.

For the distress and inconvenience caused as a result of the delays with their complaint handling, Moneybarn arranged a payment of £125 to be made to Miss H.

In March 2025, Miss H confirmed the current mileage of the car was 102,810 and that she hadn't driven the car since August 2024. She also acquired a second vehicle so she could continue with her job.

In March 2025, the Investigator issued their initial assessment. The Investigator recommended that Miss H's complaint should not be upheld. In summary, it considered there was not enough evidence to demonstrate the issue with the car made it of unsatisfactory quality at the point of supply.

Miss H didn't accept the Investigator's assessment and provided further evidence from a third-party garage which concluded that the issues should have prevented the sale of the car to her.

On review of the third-party garage evidence, the Investigator's opinion remained unchanged, so Miss H asked that her complaint be referred to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Miss H complains about a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss H's complaint about Moneybarn. Moneybarn is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that Moneybarn supplied Miss H with a used car that had travelled 98,850 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage which may impact its overall quality and reliability, so there'd be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

From the information provided I'm satisfied there are faults with the car. This is evident from reports A and B, both which confirm issues were present and, from the third-party garage health report which advised there was a fault with the head gasket. Having considered the there were faults with the car, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

Miss H reported a number of issues with the car. A report from the main dealership dated in September 2024, advised of a number of issues including engine noise and head gasket issues.

Report A, completed in September 2024, identified issues which were consistent with a failed head gasket. However, it concluded: '*Considering the vehicle has incurred 3,909 miles since purchase, we would consider, based on our engineering perspective, this fault would not have been present at the point of vehicle sale*'.

Report B advised of various defects with the car but concluded: *'We can conclude that the vehicle is displaying multiple defects present, although these are considered commensurate with the age and mileage of the vehicle and not unexpected'*.

So, neither independent report suggested the issues were inherent and were present or developing when the car was supplied to Miss H.

The third-party garage health report, completed in May 2025, also advised of a failed head gasket, but gave the opinion that the issues should have prevented the sale of the car to Miss H.

I've given this some careful thought; however, I'm not persuaded the issues identified meant the car was of unsatisfactory quality when it was supplied.

I recognise this is a difficult situation that Miss H has found herself in. She's acquired a car with a financial commitment of just over £14,000, and within months of acquiring it she's having to pay an amount, which isn't insignificant, to have the head gasket, along with some other components repaired. I recognise Miss H was able to travel an additional 4,000 miles in it.

However, I've considered the age and mileage of the car when it was supplied, and the significant price reduction from new, to reflect the age and its reasonable deterioration. The car had travelled nearly 100,000 miles, so it's reasonable to expect that some components will start to fail, and when you buy a car like that you do so in the knowledge that parts have aged and are likely to be significantly worn. It's not reasonable to expect the same sustainability of components as you'd find in a brand-new car.

For example, it wouldn't have been unreasonable had Miss H decided to have the car inspected prior to acquiring it.

Both expert reports advise of wear and tear, and although the third-party garage gave an opinion, it didn't specify whether the issues would have been present at the point of supply and it didn't state whether the car was not of satisfactory quality. Both expert independent reports have advised the same thing, so I think it's reasonable to take their guidance onboard.

The MOT had advisories but since then, it did pass. And despite what has been said, I've no reason to consider that it passed an MOT when it shouldn't have.

So, from all the evidence provided, I'm satisfied the car was of satisfactory quality when it was supplied to Miss H

My final decision

My final decision is that I don't uphold Miss H's complaint about Moneybarn No. 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 7 October 2025.

Benjamin John
Ombudsman